

priority resource concerns effectively increases conservation performance;

(iii) Number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract; and

(iv) Extent to which other resource concerns, in addition to priority resource concerns, will be addressed to meet or exceed the stewardship threshold by the end of the contract period.

(3) In the event that application ranking scores from (2) above are similar, the application that represents the least cost to the program will be given higher priority.

(4) The State Conservationist or Designated Conservationist may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

(d) *State and local priorities.* The Chief may develop and use additional criteria for evaluating applications that are determined necessary to ensure that national, State, and local conservation priorities are effectively addressed.

(e) *Application.* The State Conservationist will take the following actions to facilitate the evaluation and ranking of applications:

(1) Implement the use of the conservation measurement tool to estimate existing and proposed conservation performance;

(2) Identify not less than 3 nor more than 5 priority resource concerns for a State, or the specific geographic areas within a State, with advice from the State Technical Committee and local working groups; and

(3) Establish ranking pools for application evaluation purposes.

(f) *Ranking pools.* Ranking pools will be established based on the same State or geographic area boundaries used to identify priority resource concerns so applicants will be ranked relative to other applicants who share similar resource challenges.

(1) NIPF will compete in ranking pools separate from agricultural land. An applicant with both NIPF and agricultural land will have the options to submit:

(i) One application for NIPF;

(ii) One application for agricultural land; or

(iii) Two applications, one for each land type.

(2) An applicant with an agricultural operation or NIPF component of the operation that crosses ranking pool boundaries will make application and be ranked in the ranking pool where the largest acreage portion of their operation occurs.

(3) Within each established geographic area, the State Conservationist will set up special pools for conservation access for certain farmers or ranchers, including:

(i) One pool for socially disadvantaged farmers or ranchers; and

(ii) One pool for beginning farmers or ranchers.

(4) Applicants who want their application considered in the pool for socially disadvantaged farmers or ranchers or beginning farmers or ranchers will designate that intent on their application and provide the required information.

(5) In any fiscal year, acres and associated funds allocated to a ranking pool or pool that are not enrolled by a date determined by the State Conservationist, may be reallocated within the State for use in that fiscal year under CSP.

(g) *Application approval.* The State Conservationist or Designated Conservationist will make application approval determinations during established ranking periods based on eligibility and ranking score. An eligible application may be approved for funding after a determination of the application's ranking priority.

§ 1470.21 Contract requirements.

(a) After a determination that the application will be approved and a conservation stewardship plan will be developed in accordance with § 1470.22, the State Conservationist or designee shall enter into a conservation stewardship contract with the participant to enroll the eligible land to receive payment.

(b) The conservation stewardship contract shall:

(1) Provide for payments over a period of 5 years;

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(2) Incorporate by reference the conservation stewardship plan;

(3) State the payment amount NRCS agrees to make to the participant annually, subject to the availability of funds;

(4) Incorporate all provisions as required by law or statute, including requirements that the participant will—

(i) Implement the conservation stewardship plan approved by NRCS during the term of the contract,

(ii) Operate and maintain conservation activities on the agricultural operation consistent with § 1470.23,

(iii) Comply with the terms of the contract, or documents incorporated by reference into the contract,

(iv) Refund as determined by NRCS, any program payments received with interest, and forfeit any future payments under the program, upon the violation of a term or condition of the contract, consistent with § 1470.27,

(v) Refund as determined by NRCS, all program payments received with interest, upon the transfer of the right and interest of the participant, in land subject to the contract, unless the transferee of the right and interest agrees to assume all obligations of the contract, consistent with § 1470.25,

(vi) Maintain, and make available to NRCS upon request, appropriate records documenting applied conservation activity and production system information, and providing evidence of the effective and timely implementation of the conservation stewardship plan and contract, and

(vii) Not engage in any action during the term of the conservation stewardship contract on the eligible land covered by the contract that would interfere with the purposes of the conservation stewardship contract;

(5) Permit all economic uses of the land that:

(i) Maintain the agricultural or forestry nature of the land, and

(ii) Are consistent with the conservation purposes of the contract;

(6) Include a provision to ensure that a participant shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the participant, including a disaster or re-

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lated condition, as determined by the State Conservationist; and

(7) Include such other provisions as NRCS determines necessary to ensure the purposes of the program are achieved.

§ 1470.22 Conservation stewardship plan.

(a) NRCS will use the conservation planning process as outlined in the National Planning Procedures Handbook to encourage participants to address resource concerns in a comprehensive manner.

(b) The conservation stewardship plan will contain a record of the participant's decisions that describes the schedule of conservation activities to be implemented, managed, or improved under the conservation stewardship contract.

(c) Associated supporting information maintained with the participant's plan will:

(1) Identify and inventory resource concerns;

(2) Establish benchmark data on the condition of existing conservation activities;

(3) Document the participant's conservation objectives to reach and exceed stewardship thresholds;

(4) Include a plan map delineating enrolled land with associated acreage amounts receiving program payments;

(5) Include in the case where a participant wishes to initiate or retain organic certification, documentation that will support the participant's transition to or participation in the National Organic Program;

(6) Include in the case where a participant is approved for the on-farm research and demonstration or pilot testing option, a research, demonstration or pilot testing plan consistent with design protocols and application procedures established by NRCS; and

(7) Contain other information as determined appropriate by NRCS.

§ 1470.23 Conservation activity operation and maintenance.

The participant will operate and maintain existing conservation activities on the agricultural operation to at